



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

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Contact: Laura Hayes
202-224-4515

Baucus Works to Protect Medicaid, Children's Health Insurance Program, and Health Care Safety Net

Senator Introduces Legislation to Limit Waivers and Restore Integrity to Health Programs

(WASHINGTON, D.C.) U.S. Senator Max Baucus has introduced legislation that would protect and strengthen Medicaid and the Children's Health Insurance Program (CHIP) by ending the approval of certain significant state-by-state changes that could harm the programs, beneficiaries, and critical safety net providers.

Under current law, Section 1115 of the Social Security Act permits the Secretary of the Department of Health and Human Services (HHS) to waive certain provisions within Medicaid or CHIP if the changes are determined to "promote the objectives" of the program. Due to growing concerns that certain waivers are threatening the health of both the Medicaid and CHIP programs and that even more troubling waiver proposals are currently being developed, Baucus's legislation would limit the waivers that could be approved in the future and would shed light on the process by which the HHS Secretary approves state waivers.

Baucus's bill would, among other things, ensure that waivers could not eliminate Medicaid's guaranteed availability to eligible children, people with disabilities, pregnant women, and the elderly. It would also ensure that the Secretary could not waive the federal government's promise to provide matching payments to States, and that the Secretary could not eliminate the comprehensive Medicaid benefit for children.

"I'm concerned by the growing number of waivers approved by the HHS that raise a red flag," Baucus said. "Waivers were originally intended to be used to allow states to develop new innovative approaches or to test out pilot programs that will help our most vulnerable populations. But in recent years, the waiver authority has been used increasingly aggressively and, in my view, irresponsibly."

The Government Accounting Office (GAO) has previously reported serious problems with some Section 1115 waivers, including waivers being approved without adequate public input and the approval of waivers that diverted funds that should be dedicated to promoting and providing health coverage for uninsured children. The GAO also found that waivers have been negotiated and approved using different standards and methodologies depending on the state submitting the waiver application.

Since 2001, Baucus had been repeatedly and consistently in contact with HHS Secretary Tommy Thompson to highlight the need for transparency and accountability within the waiver program. Earlier this year, Baucus, along with Sens. Chuck Grassley (R-Iowa), Edward Kennedy

(D-Mass.) and Orrin Hatch (R-Utah), sent a letter to Sec. Thompson urging reconsideration of a waiver policy that would shift funds away from the state Children's Health Insurance Program.

"It seems that each time I turn around there's another Section 1115 waiver proposal threatening the integrity of CHIP and Medicaid. Among other things, I'm very concerned by recent proposals to undermine Medicaid financing for Community Health Clinics and Rural Health Clinics through waivers," Baucus said. "If such a waiver is approved, these much needed clinics will lose funding, forcing them to cut back on the number of people that can be helped.

"I look forward to the passage of my legislation that will ensure that efforts to innovate through waivers are made publicly and openly, with an opportunity for stakeholder input at every level of decision making, and with a promise that innovation will "do no harm" to the foundational principles of these safety net programs," Baucus said.

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